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ARIZONA CORPORATION COMMISSION

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November 3, 2004

Chairman Marc Spitzer  
Commissioner Bill Mundell  
Commissioner Jeff Hatch-Miller  
Commissioner Kris Mayes

RE: Generic Investigation (Competition in AZ telecom markets)  
Docket No. T-000001-04-0749

Dear Colleagues:

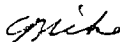
Rapidly advancing technology and indecisive regulatory direction has placed the telecommunications industry in an uncertain state. I support Commissioner Mundell's suggestion that this Commission should undertake a general policy level review of the industry as a whole.

As I have said many times before, never before in our history has the consumer had so many telecommunications choices. The customer has a wide array of providers from which to choose. Today, 42 companies actively provide telecommunications services in Arizona. Furthermore, consumers can select from different types of communications. In addition to POTS, wireless service is now commonplace. Voice over Internet Protocol (VoIP) companies are signing up thousands of customers every month. We will see Wi-Fi and broadband over power lines (BPL) emerge as new tools to bring innovative telecommunications services to customers.

I believe the telecommunications industry, as well as this Commission's authority, is handcuffed by the 1996 federal Telecommunications Act. This Act embodies a regulatory scheme based on out of date technology definitions. The difference between local and long distance is blurring. The difference between an informational service and a telecommunications service is no longer discrete. To compound this problem, the clash between the old regulations and new technology is being litigated in the courts.

I wish our discussions to be productive. My emphasis is on a regulatory scheme that promotes healthy competition on an even playing field. What is the appropriate level of state regulation? What direction can this Commission take without action first coming from the FCC?

Sincerely,



Mike Gleason  
Commissioner

c: Brian McNeil, Executive Secretary